

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

JUNE JOBS NUMBERS AND MIDDLE-CLASS SQUEEZE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, last month we witnessed another disappointing jobs creation month. Economists say our economy must create 150,000 jobs a month just to keep up with increases in population. But last month, only 112,000 jobs were created. And even more troubling, the economy witnessed declines in the length of the average work week and average weekly earnings.

One would think this disappointing news would concern President Bush. After all, he already has the dubious distinction as the only President since Herbert Hoover to lose jobs on his watch. Mr. Speaker, 1.8 million private sector jobs have been lost over the last 3 years, thanks to the economic neglect of both President Bush and Republicans here in Congress.

Instead of showing any concern over these disappointing job numbers, President Bush embraced them, describing them as steady growth. The President also had the audacity to say that our economy does not need "boom or bust-type growth."

Now, I ask my colleagues, Mr. Speaker, when is President Bush going to realize that our economy desperately needs a boom? When is President Bush going to finally realize that the failed economic policies that he has been touting over the last 3 years are not creating enough jobs to put millions of Americans back to work? And when is President Bush going to realize that today's economy, the economy he created with his major tax breaks for the wealthiest Americans, is benefiting the wealthiest Americans to the detriment of middle-class Americans? And when is he going to realize that while middle-class Americans face skyrocketing health care costs and ever-increasing college tuition costs, their paychecks are not even increasing at a rate that will keep them equal with inflation?

The economic record of President Bush and this Republican House of Representatives has been an utter failure, and the President's statement that an economic boom is not needed today shows that he is certainly out of touch with the economic realities middle-class Americans presently face. Perhaps the President has been spending too much time hanging around with his wealthy friends to realize that middle-class Americans are struggling to make ends meet.

A report over the weekend by Bloomberg News determined that record-high corporate profits are not trickling down to U.S. workers in the form of pay increases. Economists Paul Krugman said today's economy is passing working Americans by. Krugman points to the fact that average weekly earnings of nonsupervisory workers rose only 1.7 percent over the past year, lagging well behind inflation. And this dismal increase takes place amid continued gains in worker productivity, the amount that workers produce in an hour. If middle-class workers are performing so well and if their hard work is paying off and making the economy grow, then one might ask, why are their wages not growing as well?

Middle-class Americans are getting squeezed by their employers and by government policies. Since March of 2001, corporate profits skyrocketed by more than 50 percent, while wages and salaries decreased by 1.7 percent. American companies raked in an enviable \$1 trillion in profits in the last 3 months of 2003 alone, but even while profits soared, companies froze pay.

Unfortunately, Mr. Speaker, Uncle Sam is only making matters worse by shifting the tax burden from wealth to work. Taxes on wages now average almost 24 percent. Taxes on income from investments, by contrast, like stock and bonds, average less than 10 percent. That means that middle-class Americans who depend more on their paycheck than stock market investments are actually paying more in taxes on individual dollars than they bring in. It is an incredible, incredible fact.

While families are earning less and less, "kitchen table costs," the items that directly affect a family's budget, are soaring. Under President Bush, health care costs have skyrocketed almost 50 percent, college tuition has gone up 35 percent, and gas prices are up more than 25 percent. How does a family face these skyrocketing price increases when their paychecks only increase about 1 percent from year to year?

Now, Mr. Speaker, for the past 3 years, Republicans have been telling the American people that the best way to create jobs and expand the economy was to drastically cut taxes for the wealthiest Americans. Not only has that misguided policy created a \$400 billion Federal deficit, but it has just not lived up to the expectations that the Republicans create.

Democrats by contrast have a real plan that would truly boost America's economy. Over the last 3 years, many economists have argued that the most effective job creating policies would be increased aid to State and local governments, extended unemployment insurance, and tax rebates for lower and middle income families. Democrats have been fighting for measures that would create jobs immediately by ending the current tax incentives for ship-

ping jobs overseas, enacting a bipartisan manufacturing tax cut bill, enacting a robust highway bill that would create jobs all over this country and pump millions of dollars into State and local economies, provide a tax credit to small businesses so they can lower health care costs, extend Federal unemployment insurance for more than 2.9 million Americans, and make tax cuts for the middle class permanent and paid for.

Mr. Speaker, President Bush seems content with the economic status quo. Democrats, by contrast, realize that middle-class Americans have been squeezed by the policies of this President and this Republican House. We are not satisfied with the latest economic indicators, and we will not quit fighting until all Americans are back to work and bringing home a paycheck that will not squeeze every last dime.

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REAL REPUBLICAN SOLUTIONS

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Kansas (Mr. TIAHRT) is recognized for the remaining time until midnight as the designee of the majority leader.

Mr. TIAHRT. Mr. Speaker, I wanted to first remind the Members here that there is some convenient memory loss for the Democrats when they want to blame President Bush on the current economy, especially when they want to target the tax relief. So let us just go back to 1999 and remember how our economy got into this current situation.

In 1999, we had the tech bubble burst and we saw tremendous loss of jobs in the tech industry, especially in northern Virginia. It caused the NASDAQ to drop by over half, almost by two-thirds. Then, in 2000, November 2000, the recession technically started while President Clinton was still in office, even before President Bush was sworn in.

And then, of course, who can forget September 11, 2001, when terrorists brought the war on terror to America and attacked us in our homeland and tore down the World Trade Center and attacked the Pentagon and put our economy into a tailspin. It was those events that caused our economy to drop dramatically.

In my hometown of Wichita, Kansas, we had a greater percentage loss of jobs than any other community in America following September 11. We are the air capital of the world, Wichita, Kansas. It is the home of Boeing, Beech, Cessna and Learjet. When you take the number of jobs lost, the percentage of those compared to the total number of jobs in the community, we were the hardest hit. It was because of the September 11 terrorist attacks.

It was the tax relief that President Bush pushed for and that was passed in